

## Message Text

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ACTION XMB-04

INFO OCT-01 AF-04 ISO-00 EB-04 AID-05 FRB-01 COME-00

TRSE-00 OPIC-06 CIAE-00 INR-05 NSAE-00 RSC-01 L-01

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R 151746Z OCT 74

FM AMEMBASSY LIBREVILLE

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E.O. 11652: N/A

TAGS: ETRN, EFIN, GB

SUBJ: EXIM FINANCING FOR TRANSGABON

DEPARTMENT PASS EXIM

1. EMBASSY HAS RECEIVED COPY OF LETTER DATED OCTOBER 9 TO EXIM EXECUTIVE VP GLICK FROM OCTRA DIRECTOR GENERAL MASSON STATING:

- A) OCTRA WILL BE BUYING AMERICAN GOODS FOR TRANSGABON;
- B) THAT THEY HAVE APPLIED FOR EXIM FINANCING;
- C) OCTRA REQUESTS INFORMATION ON PROCEDURE TO BE FOLLOWED TO OBTAIN THIS FIANCING AND;
- D) OCTRA ASSURES BANK IT READY TO PROVIDE ANY ADDITIONAL INFORMATION NECESSARY.

2. EVER SINCE NEWSOM LETTER TO BONGO OF MAY 31, 1971, GABONESE HAVE BEEN COUNTING ON EXIM FINANCING. IN LAST MONTH, HOWEVER, WE HAVE BEEN RECEIVING INCREASING NUMBER OF QUESTIONS FROM GOG AND OCTRA OFFICIALS ABOUT WHEN FINANCING WILL BE AVAILABLE, AND WHEN FINAL REPLY WILL BE MADE TO OCTRA PRELIMINARY APPLICATION OF JANUARY 1974. IN ADDITION, FRENCH AND GOG (TWO LARGEST FINANCERS FOR TRANSGABON) ARE FIRMLY COMMITTED AND GOG UNDERSTANDABLY ANXIOUS FOR OTHERS TO GET IN LINE. FURTHER DELAY IN EXIM DECISION RISKS ENDANGERING

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CONTRACTS ALREADY AGREED UPON BETWEEN OCTRA AND U.S. FIRMS

(TAMS, GE, ORTON MACCULLOUGH CRANE CO.) AS WELL AS MAKING IT DIFFICULT FOR OTHER AMERICAN FIRMS TO MAKE SALES ON THIS AND FUTURE PORTIONS OF RAILROAD. WE DO NOT SEE FURTHER-MORE HOW USG CAN GO BACK ON ITS COMMITMENT OF MAY 1971 PARTICULARLY SINCE ALL THER FACTORS ARE NOW POSITIVE (AVAILABILITY OF OTHER DONOR FINANCING TO COMPLETE PROJECT, SOUNDNESS OF GOG DEBT CARRYING CAPACITY, ETC) STRONGLY URGE THEREFORE THAT EXIM MAKE EARLY DECISION REGARDING ITS PARTICIPATION IN TRANSGABON PROJECT.

3. FURTHER QUESTION OF CONCERN TO GOG AND OCTRA IS INTEREST RATES FOR EXIM FINANCING. WE ASSUME THAT FINANCING WILL BE AT RATE CLOSE TO SEVEN PERCENT MENTIONED BY HENRY KEARNS AND RECENTLY DISCUSSED BETWEEN AMBASSADOR MCKESSON AND EXIM VICE PRESIDENT KOBELINSKI IN AUGUST. BELIEVE THIS SHOULD BE CLEARED UP SOONEST TO ENABLE GOG AND OCTRA TO MAKE PLANS AND SCHEDULES FOR REPAYMENT.  
MCKESSON

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## Message Attributes

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**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
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**Disposition Date:** 28 MAY 2004  
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